



STATE OF MICHIGAN

**Family
Independence
Agency**

Memo

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To: **Jim Beougher, Director**
Child and Family Services Administration

Date: **April 26, 2002**

From: **Rita Barker, Director**
Office of Internal Audit

Subject: **Audit of Houghton Jones Delinquency Prevention Program**
October 1, 2001 through February 28, 2002
Audit #2002-193

Houghton Jones provided delinquency prevention services as a subcontractor to the Saginaw County Board of Commissioners for their contract number DP-99-73001 with the Family Independence Agency. That contract ended June 30, 2001. Houghton Jones continued to provide services because it was their understanding that the contract would be renewed. As of April 16, 2002, the new contract had not yet been signed.

Upon the request of the FIA program office, we performed an audit of the costs submitted for reimbursement by Houghton Jones for the period July 1, 2001 through February 28, 2002. We performed audit tests that we determined were necessary to determine if costs charged were proper, accurate, documented and charged in accordance with the terms of the prior year contract.

Based on our audit, we concluded that the costs charged were proper, accurate, and documented. However, we found that Houghton Jones charged the administrative consultant under the salaries line item. The administrative consultant was paid as a contractor and should have been charged in the contractual services line item. The amount charged to the incorrect line item was \$3,882 for July through September, and \$6,470 for October through February. If FIA signs the contract, Houghton Jones should make corrections to their expenditure reports for each month that the administrative consultant was charged to the salaries line item.

We found that sign in sheets and attendance records were maintained for children and families who attended program activities.

Please contact me if you have any questions.

c: H. Wilson
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